

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

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ITEMS TO REMEMBER

MARCH

- March 1: Assessing period begins, (IC 6-1.1-1-2) for all tangible property except mobile homes as defined in IC 6-1.1-7-1.
- March 6: (First Monday in March) Make report of the Dog Fund to the County Auditor and pay to the County Treasurer any funds in a Township Dog Fund designated (by the county) for a Humane Society under IC 15-5-9-8; and/or any amount in a Township Dog Fund exceeding \$300 over and above orders drawn on the fund, and must show all receipts into the Township Dog Fund and all orders drawn in order. (IC 15-5-9-10) Also give County Auditor the number or receipts issued if a humane society has been designated. (IC 15-5-9-8)
- March 13: (Second Monday in March) County Auditor makes distribution of County Dog Fund to the townships of the county in which the orders drawn against the Dog Fund exceeded the money on hand as shown on the report filed on March 1 (or by the county to a humane society if an ordinance is passed). Any money received from the County Dog Fund must be receipted to Township Dog Fund. (IC 15-5-9-10)
- March 31: All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories.

APRIL

- April 15: Last day to make pension report and payment for first quarter by townships participating in PERF.
- April 21: Good Friday - Legal Holiday (IC 1-1-9-1)
- April 30: Last day to file quarterly report, Form 941, to the Internal Revenue Service for federal and social security taxes for the first quarter.
- April 30: Last day to make report for first quarter to the Department of Workforce Development.
- April 30: All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories.

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MAY

- May 1: On or before this date report to county auditor, in writing, the amount of unpaid claims against the Dog Fund which have not been paid because of lack of funds. (IC 15-5-9-11)
- May 2: Primary Election Day - Legal Holiday (IC 1-1-9-1)
- May 15: Date for completion of assessing. (IC 6-1.1-1-7)
- May 29: Memorial Day - Legal Holiday (IC 1-1-9-1)
- May 31: All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories.
- May 31: On or before June 1 and December 1 of each year (or more frequently if the county legislative body adopts an ordinance requiring additional certifications) the township shall certify a list of the names and addresses of each person who has money due from the township to the county treasurer. (IC 6-1.1-22-14).

OFFICE AND TELEPHONE EXPENSES

The annual appropriations of a township for the expenses of renting an office and telephone expenses must, as nearly as is possible, be equal to the actual cost of those items. If the township trustee uses a part of his residence as his office, the township board shall appropriate a reasonable sum for that office space.

The following audit position should cover all situations for reimbursement of telephone expenses:

1. A separate township office exists and has a telephone(s) listing in the telephone directory in the name of the township, 100% of the proper monthly telephone service billing and long distance township business calls may be paid.
2. The township office is in the home with a separate phone line for township business and that phone line is listed separately in the directory. The 100% reimbursement is available for township long distance business calls and also for the monthly billing.
3. If the township office is in the home, and the telephone (only phone) is in the township name in the phone directory, the additional cost of that phone being listed as a township phone is reimbursable. Up to 50% of the base monthly service billing may also be reimbursed if approved by the township board in accordance with IC 36-6-8-3. Additionally, 100% of all documented long distance township business calls may be reimbursed.

Please be advised IC 12-20-5.5-3 provides the township trustee shall ensure adequate access to poor relief services, including a published telephone number in the name of the township.

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LEASE PURCHASE AGREEMENTS

The State Board of Accounts is of the audit position that in purchasing a computer or any other equipment from public funds, the township trustee and township board have the right to enter into a rental with option to purchase agreement if the rental charge is fair and reasonable.

However, before such an agreement is entered into, there must be a sufficient appropriation balance available for payment of the current year's rental charge. The agreement should not obligate the township for payment of rental beyond the current year's appropriation. Provision may be made in the agreement for renewal for succeeding years by rental payments subject to appropriations being available.

If the original gross cost of the equipment (without consideration of any trade-in) exceeds seventy-five thousand dollars (\$75,000) the purchasing agency must comply with the "Public Purchases Law", IC 5-22 (certain exceptions exist) by advertising for the bids and by awarding with reasonable promptness by written notice a contract to the lowest responsible and responsive bidder. Only by awarding a contract pursuant to IC 5-22 would the township have authority to purchase the equipment at a later date. A lease-purchase agreement will often contain an option to purchase at the end of the lease term for nominal consideration or no additional consideration.

The specifications for the equipment must be recognized standard specifications to allow competitive bidding and should provide for the bidder to quote the total purchase cost, the rental charge to be made, and the percentage of the amount of the rental charge that will be credited toward the purchase cost should the township exercise the option to purchase. Any interest or carrying charges must be made a part of the original bid price without specific reference made thereto.

Compliance with the above requirements will allow the purchasing agency to exercise the option to purchase at any time a sufficient appropriation for equipment is available.

Remember, as mentioned above, whether or not the equipment should be bid is based on the original cost of the equipment and is not based on cost less trade-in or on the annual lease rental payment amount.

TOWNSHIP TRUSTEES' MEETING

The State Board of Accounts' Meeting for Township Trustees, November 18, 1999, Indianapolis, was a success as indicated by compliments received concerning the meetings and the large turnout of several hundred township representatives. We would like to thank the Indiana Township Association for the cooperation in our having the November 18th meeting in conjunction with the Township Convention as has been the custom for many years.

Trustees not attending the 1999 meeting are encouraged and specifically requested to attend a similar meeting we plan on calling in 2000. A wide range of topics were discussed both during and between sessions which pertain to your audits by the State Board of Accounts.

Your ideas and suggestions for additional areas you would like addressed at the 2000 meeting are always welcome. We anticipate seeing all Township Trustees at our meeting in 2000.

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FINANCIAL INSTITUTIONS TAX

Effective January 1, 1990, IC 6-5.5-8 provides for the Financial Institutions Tax. The following is a digest of information that has been provided to all County Auditors on this matter.

On or before February 1, May 1, August 1, and December 1 of each year the auditor of state shall transfer to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth ($\frac{1}{4}$) of the sum of the guaranteed amounts for all the taxing units of the county plus the supplemental distribution for the county.

A taxing unit's guaranteed distribution for a year is an amount equal to:

1. the amount received by the taxing unit under IC 6-5-10 and IC 6-5-11 in 1989; minus
2. the amount to be received by the taxing unit in the year of the distribution, as determined by the state board of tax commissioners, from property taxes attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee.

For the supplemental distribution made on or before August 1 of each year, the department of revenue shall adjust the amount of each county's supplemental distribution to reflect the actual taxes paid for the preceding year.

The amount of the supplemental distribution for each taxing unit shall be determined using the following formula:

STEP ONE: Determine the quotient of:

- a. the amount received under IC 6-5-10 and IC 6-5-11 in 1989 by all taxing units in the country; divided by
- b. the sum of the amounts used in STEP ONE for all taxing units located in the county.

STEP TWO: Determine the product of:

- a. the amount determined in STEP ONE; multiplied by
- b. the supplemental distribution for the county.

The county auditor shall distribute the guaranteed and supplemental distributions to the taxing units in the county at the same time that the county auditor makes the semiannual distribution of real property taxes to the taxing units.

SOCIAL SECURITY

We understand that for 2000 the maximum amount of taxable and creditable annual earnings subject to Social Security will increase to \$76,200 up from \$72,600 in 1999. No maximum base for Medicare will exist. Rates will remain at the 1999 level at a combined rate of 7.65 percent (both employer and employee for a total of 15.3 percent) representing a 6.20 percent rate for Social Security and 1.45 percent for Medicare.